



99-10

MARCH 1999

ENERGY CONSERVATION INVESTMENT PROGRAM (ECIP)

Revised

SYNOPSIS:

This A-Gram summarizes the project approval and funding processes for ECIP projects.

PROGRAM APPROPRIATIONS:

ECIP funds come from the same appropriations as typical Military Construction (MILCON) funds. ECIP is budgeted by the Office of the Secretary of Defense (OSD) under defense agency appropriations (normally Air Force funding comes from Congressional appropriations earmarked for the Air Force).

PROGRAM CRITERIA:

ECIP is an OSD centrally-managed energy program intended to help DoD meet its energy reduction goals by 2005. Projects must follow MILCON programming guidance as well as DoD program guidelines, which include: a discounted payback of 10 years or less; an estimate that at least 20 percent of expected savings will come from reduced BTUs; and a

Savings to Investment Ratio (SIR) of at least 1.25 (2.25 SIR has been the minimum for inclusion in the Air Force program the past two years). Water projects are exempt from the SIR criteria. MAJCOMs submit candidate projects to the Air Staff every spring for inclusion in the upcoming fiscal year's program. Air Staff and AFCEA assign priorities to the projects, primarily based upon SIR, and a suggested priority list is forwarded to OSD. Here's where things can and do change from normal MILCON.

OSD includes a lump sum in the DoD budget for ECIP. Congressional appropriation is not done via a project-by-project review like normal MILCON. After the budget is passed, OSD provides a list of projects to Congress as a formal notification. Following a 21-day notification period, OSD provides funds to the services. Although not normal, it is possible to submit

projects to Air Staff out of cycle. A MAJCOM can submit a project *anytime* to Air Staff to be added to the ECIP Program, if funds are available.

FOR TECHNICAL ISSUES

CONTACT:

Mr. Fred Beason
HQ AFCEA/CESE
139 Barnes Drive Suite 1
Tyndall AFB FL 32403-5319
DSN: 523-6361
Commercial: (850) 283-6361
E-mail: beasonf@afcesa.af.mil

FOR FUNDING ISSUES

CONTACT:

Mr. Cam Arnegard
HQ USAF/ILEC
1260 Air Force Pentagon
Washington, DC 20330-1260
DSN: 329-0189
Commercial: (703) 601-0189
E-mail:
Cam.Arnegard@pentagon.af.mil

MILCON vs ECIP PROCESS

<u>PROGRAM</u>	<u>BASE/MAJCOM</u>	<u>AIR STAFF</u>	<u>OSD</u>	<u>CONGRESS</u>	<u>AF</u>
MILCON	Standard budget/POM	Standard budget/POM	Submits budget	Approves budget	Executes
ECIP	Responds to yearly call letter	Prioritizes list; Technical review	Holds list until budget approved	Approves list	Executes after OSD releases funds

*A-Grams are products of HQ AFCEA/PC, Tyndall AFB, Florida 32403-5319
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